

26 January 1956

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Project AQUATONE

1. Project AQUATONE in its procurement phase consists of the production and delivery of planes and equipment designed particularly for intelligence purposes. Since, therefore, it is of joint interest to the Air Force and the Central Intelligence Agency, the procurement has been joint, with the Central Intelligence Agency entering into all major contracts in order to preserve the high degree of security required and the Air Force providing Government-furnished equipment. The estimated requirements for planes for intelligence purposes have been nearly completed, but the Air Force has determined that it needs additional planes and equipment for its own needs and has allocated funds for this additional procurement.

2. Under normal circumstances it would be routine for the Air Force to undertake its own procurement with the Lockheed Aircraft Corporation through the Air Materiel Command. There is, however, still a very high degree of sensitivity about the original procurement for intelligence purposes. It was to protect this security that procurement was kept out of normal Air Force channels in the first place and to institute the additional procurement through those channels would largely vitiate the elaborate precautions taken to date in the contracting procedures.

3. Based solely on the security requirement, I am of the opinion that it is in the national interest and that there is legal authority for this Agency to enter into an arrangement with the Air Force to act as their executive agent for their additional procurement [REDACTED] 25X1A  
In addition, I have reviewed this situation with the General Counsel of the Air Force and we are of the joint opinion that such an arrangement would not involve any contravention or evasion of laws and policies applicable to Air Force procurement. The Air Force has expressed an urgent need for additional planes. I believe our current procedures are the most expeditious available and that continuance of our contractual arrangements is an effective and economical procurement mechanism for this purpose.

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4. Inasmuch as all aspects of the additional procurement will require prior Air Force authorization or approval, I believe the Agency will be well protected in the event of any dispute. Furthermore, this would facilitate the return of the administration of the contracts to normal Air Force channels if and when security would permit.

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LAWRENCE R. HOUSTON  
General Counsel

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~~TOP SECRET~~